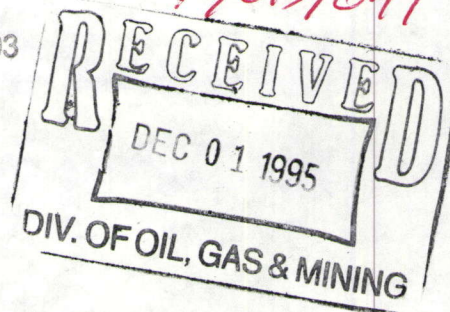


Bureau of Land Management
Branch of Solid Minerals (U-921)
324 South State Street
Salt Lake City, Utah 84111-2303



3809, 3802
(UT-921)

November 30, 1995

Bevan Wilson
Emery County Commissioners
P.O. Box 629
Castle Dale, Utah 84513

Dear Mr. Wilson:

It has come to our attention that San Rafael Resource Area has a Memorandum of Understanding (MOU) with Emery County. The MOU is entitled Memorandum of Understanding Between the Bureau of Land Management and Emery County Concerning the Regulation of Minerals Mining Reclamation and Reclamation Bonding (copy enclosed).

This MOU was written to allow the County to hold bonds on mining activity 5 acres or less in size. The intent was to benefit both Emery County and the Bureau of Land Management (BLM) by allowing either party to collect on the bond should the operator fail to properly reclaim their mining activity. However, by regulation (43 CFR 3809.3-1, copy enclosed) we are only able to formulate and enter into agreements with the appropriate State representative. In addition, we do not have the authority to bond notice level mining activity (mining activity 5 acres or less in size). Therefore, unfortunately, we will have to cancel the MOU with Emery County since agreements with the counties and bonding of notices were not anticipated in our regulations. However, we are pursuing another avenue that would allow the County to be a collector on the bond.

Bonds may be jointly held with Utah Division of Oil, Gas, and Mining (UDOGM) because we have a MOU with UDOGM and the United States Department of Agriculture, Forest Service, Region 4, concerning regulation of minerals, mining and reclamation. We meet annually with the UDOGM to discuss issues/problems that have arisen during the year regarding locatable mineral administration. We have asked UDOGM to assess whether or not the Board of Oil, Gas, and Mining would allow a County to be added as a collector on a jointly held bond for mining activity greater than 5 acres. This would allow the operator to file one bond to satisfy State, Federal, and County requirements.

We will need to know if there are specific bond types that are unacceptable to Emery County. Please provide this information to Tony Gallegos (UDOGM) at (801) 538-5340 or Terry McParland (BLM) at (801) 539-4026.

We apologize for any inconvenience that this may cause you. The Resource Area Office will review all outstanding mining activity on BLM-administered lands that are greater than 5 acres in size to ensure that bonds for this level of activity are held by either the UDOGM or BLM Utah State Office.

It is our hope that we can work together to obtain a form and bond types that are acceptable to you, UDOGM, and the BLM. If you have any comments or suggestions of how to accomplish this goal, please call Tony or Terry at the numbers given above.

Sincerely,

/s/ Douglas M. Koza

Douglas M. Koza
Deputy State Director,
Mineral Resources

2 Enclosures

1. MOU
2. 43 CFR 3809

cc: Tony Gallegos

Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
SLC, UT 84180-1203